

DRINKING WATER STATE REVOLVING FUND
NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION (NJDEP)
BUREAU OF SAFE DRINKING WATER

ENGINEERING CONTRACT FOR SMALL SYSTEMS

APRIL 2004

NEW INITIATIVE: ENGINEERING SERVICES FOR SMALL SYSTEMS UNDER 3300 CUSTOMERS

Use this engineering services program towards your DWSRF loan if your system serves less than 3,300 customers and your system will have reduced up-front costs.

The Drinking Water State Revolving Fund

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) to assist publicly owned and privately owned community water systems and nonprofit noncommunity water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect the public health in conformance with the objectives of the SDWA. This low interest loan program is administered as a component of the Environmental Infrastructure Financing Program (EIFP). The Bureau of Safe Drinking Water administers the DWSRF for the NJDEP.

Please remember, water systems will not be qualified for the engineering services by default simply because they are on the current DWSRF Project Priority List (List). Any interested systems must express their willingness in writing to NJDEP no later than May 28, 2004. As a limited amount of resources are currently available for this program, the NJDEP will provide funds for engineering services in a ranked order. Funds will be provided to interested water systems with the highest priority and then proceed down the List in ranked order as funds allow.

ELIGIBLE PROJECTS:

- Projects that address SDWA health standards that have been exceeded or to prevent future violations of rules
- Projects to replace aging infrastructure needed to maintain compliance or further public health protection goals of the SDWA:
 - Install or upgrade treatment facilities, if the project would improve the quality of drinking water to comply with primary or secondary drinking water standards
 - Install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
 - Install or upgrade pump stations to maintain pressure in the water system
 - Install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels
 - Install and enhance security at drinking water systems, such as fencing, lighting, motion detectors, and cameras
 - Install and/or replace water meters and/or other conservation measures
 - Interconnections
 - Drought management initiatives, as identified by the State
 - Wells (not eligible for Engineering Services assistance)

A NEW FUNDING INITIATIVE

Streamlining the loan process for Small Systems

The NJDEP and the New Jersey Water Association (NJWA) have entered into a contract in which the NJWA will provide administrative services related to engineering services by a NJ Professional Engineer for small systems that are eligible for DWSRF loans. In order to receive a DWSRF loan, a system must submit planning documents, signed and sealed plans and specifications, and obtain applicable permits. As these submittals require the services of a licensed New Jersey Professional Engineer, some costs are expended by the system before the loan is awarded. Normally these costs are reimbursed to the borrower through a planning and design allowance. In order to assist systems serving less than 3,300 customers, the NJWA and NJDEP will provide a NJ PE to the system for the purposes of completing the necessary DWSRF loan requirements. The system will not receive the planning and design allowance associated with the loan award as these resources will be provided directly to the engineer.

However, if the engineering funds, capped as noted in the contract, are not sufficient to cover the planning and design costs for the project, the additional costs are the responsibility of the water system.

PROJECTS FINANCED UNDER DWSRF:

<u>DATE</u>	<u>PROJECTS</u>	<u>TOTAL</u>
November 1998	10	\$39,426,841
November 1999	21	\$37,830,424
November 2000	27	\$47,457,078
November 2001	38	\$131,890,882
November 2002	26	\$52,536,219
November 2003	14	\$46,152,523
November 2004	31*	\$163,400,000*

*ESTIMATED

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VISIT THE DWSRF PROGRAM ON THE WEB:

<http://www.nj.gov/dep/watersupply>